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# HELPING THE FARMER HELP HIMSELF



An Explanation

of the

## REHABILITATION PROGRAM

UNITED STATES  
DEPARTMENT OF AGRICULTURE  
FARM SECURITY ADMINISTRATION  
WASHINGTON, D. C.

During the depths of the depression, more than 1 million farm families were forced to turn to the Government for help.

Many had lost everything they owned through natural calamities, such as floods and prolonged drought. Others had been ruined by years of low farm prices, over-burdening debt, unsound tenure arrangements, exhaustion of the soil, and unscientific one-crop farming. All had suffered severely from the general business collapse.

Instead of carrying these families indefinitely on direct relief, the Government has tried to help them get a new start. It is helping them to become self-supporting, by giving them a little financial aid and guidance in sound farming practices.

This program now is being carried out by the Farm Security Administration. It makes small loans to farm families who cannot get credit from any other source, to enable them to buy the tools, livestock, seed, and other equipment necessary to carry on farming operations. In some cases, it also advances them money to buy food and clothing until they can make their first crop. The Farm Security Administration's county supervisor helps each family to work out a careful plan of farm operations, so it will get the best possible use out of the money it borrows.

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This service of the Farm Security Administration is called "rehabilitation"

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### **1. What does "rehabilitation" mean?**

"Rehabilitation" means to restore and reestablish. As the Government uses the word, it simply means helping a farm family to get back on its feet.

### **2. Who are being helped through rehabilitation?**

Farm owners, farm tenants, share-croppers, and farm laborers, who need financing and guidance which they cannot obtain from any other public or private agency.

### **3. How can a farmer get Farm Security Administration help?**

He should apply to the county rehabilitation supervisor for his county. Information also may be obtained from the county agricultural agent or the local public welfare office.

#### **4. What is required of a family which obtains such help?**

The family must own or be able to rent land on which it can make a living. If the borrower is a tenant, he should be able to get a written lease for the period of the loan. The family also must be willing to cooperate with the county supervisor in working out a sound plan of farm and home management.

#### **5. What farm needs are financed by the Farm Security Administration?**

Rehabilitation loans are made to finance the purchase of necessary farm supplies, livestock, seed, fertilizer, feed, tools, household equipment, and temporary food and clothing requirements.

#### **6. What are the terms for such financing?**

Loans are made for periods of from 1 to 5 years, depending on the purpose for which the money is used. For example, money loaned to buy livestock or machinery might be repaid over a 5-year period. Money loaned to buy feed, fertilizer, or household supplies ordinarily is repaid within 1 year. The rate of interest is 5 percent a year.

#### **7. What security is required for the loan?**

The borrower gives a note and mortgage on his personal property, on the goods he buys with the loan, and on his coming crop. A loan will not be made unless the borrower's farm plan shows that he can produce enough cash income to pay off the debt.

#### **8. What is a farm and home management plan?**

It is a plan, worked out by the borrower and the county rehabilitation supervisor, outlining the farm and home operations for the year. It shows how much income must be produced to get the family back on its feet and to pay off the loan. It indicates what crops should be grown to produce this income.

A good plan always calls for the production of enough food for the family and enough feed for its livestock. In this way the family can "live at home," and use its cash income to pay off debts or to buy livestock or equipment.

## **9. How can a family be expected to repay a rehabilitation loan if it already is heavily in debt?**

The Farm Security Administration has organized local farm debt adjustment committees to help debt-burdened farmers. These committees meet with the debtor and his creditors, and try to adjust his debts in accordance with his ability to pay. They try to get the creditors to agree to scale down the debt, or to reduce the interest rate, or to extend the time for payment. Sometimes they help the debtor to refinance his obligations on better terms.

This service is available—without charge—to every farmer who is in debt and is threatened with the loss of his property.

## **10. Are loans made to groups of farm families?**

Yes, under certain conditions.

Often a number of families in the same neighborhood need certain equipment or services which no one of them can afford alone. In such a case, the Farm Security Administration makes a loan to the group, to enable it to buy equipment which all its members can use.

For example, group loans have been made to finance the purchase of tractors, threshing machines, spraying equipment, hay balers, ensilage cutters, veterinary service, and pure-bred breeding stock.

Loans also are made to enable a farmer to join a cooperative association which furnishes marketing or purchasing services he needs.

**For further information  
see the**

**COUNTY REHABILITATION SUPERVISOR  
for your County**